

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 7**

Introduced by DeKay, 40; Hardin, 48.

Read first time January 09, 2025

Committee: Agriculture

1 A BILL FOR AN ACT relating to the real property; to amend sections  
2 76-2,141, 76-3702, 76-3703, 76-3704, 76-3708, 76-3709, 76-3710,  
3 76-3712, and 76-3715, Revised Statutes Cumulative Supplement, 2024;  
4 to change provisions relating to affidavits for covered real estate,  
5 foreign-owned real estate, oil and gas leases, real estate of  
6 railroads, public utilities, common carriers, and within cities or  
7 villages, manufacturing or industrial establishments, investigations  
8 and violations, and civil and criminal immunity; to define and  
9 redefine terms; to provide for exceptions and applicability; to  
10 harmonize provisions; to provide severability; and to repeal the  
11 original sections.  
12 Be it enacted by the people of the State of Nebraska,





1 pattern or serious instances of conduct significantly adverse to the  
2 national security of the United States pursuant to 15 C.F.R. 791.4 ~~7.4~~,  
3 as such regulation existed on January 1, 2025.

4 **Sec. 3.** Section 76-3703, Revised Statutes Cumulative Supplement,  
5 2024, is amended to read:

6 76-3703 (1) Except as provided in the Foreign-owned Real Estate  
7 National Security Act, a nonresident alien, a foreign corporation, or  
8 foreign a government ~~other than the United States Government or a~~  
9 ~~government of its states, political subdivisions, territories, or~~  
10 ~~possessions~~, or an agent, a trustee, or a fiduciary thereof:

11 (a) Shall not purchase, acquire title to, or take any real estate or  
12 any leasehold interest extending for a period for more than five years or  
13 any other greater interest less than fee in any real estate in this state  
14 by descent, devise, purchase or otherwise on or after January 1, 2025 ~~7~~  
15 ~~except as provided in the Foreign-owned Real Estate National Security~~  
16 ~~Act~~; and

17 (b) Shall be in compliance with the federal Agricultural Foreign  
18 Investment Disclosure Act of 1978, 7 U.S.C. 3501 et seq., with respect to  
19 any real estate in Nebraska.

20 (2) Except as provided in the Foreign-owned Real Estate National  
21 Security Act, a restricted entity, a nonresident alien, a foreign  
22 corporation, foreign a government ~~other than the United States Government~~  
23 ~~or a government of its states, political subdivisions, territories, or~~  
24 ~~possessions~~, or an agent, a trustee, or a fiduciary thereof, who ~~that~~ on  
25 or after January 1, 2025, purchases, acquires title to, or takes any real  
26 estate or any leasehold interest in violation of the Foreign-owned Real  
27 Estate National Security Act shall be subject to divestment as prescribed  
28 under section 76-3712.

29 **Sec. 4.** Section 76-3704, Revised Statutes Cumulative Supplement,  
30 2024, is amended to read:

31 76-3704 (1) Except as provided in subsection (2) of this section,

1 corporations incorporated under the laws of the United States of America,  
2 or under the laws of any state of the United States of America, or any  
3 foreign corporation or any nonresident alien, doing business in this  
4 state, may acquire, own, hold, or operate leases for oil, gas, or other  
5 hydrocarbon substances, for a period as long as ten years and as long  
6 thereafter as oil, gas, or other hydrocarbon substances shall or can be  
7 produced in commercial quantities.

8 (2) ~~A Subsection (1) of this section shall not apply to a restricted~~  
9 ~~entity or an agent, trustee, or fiduciary thereof~~ may not acquire, own,  
10 hold, or operate leases for oil, gas, or other hydrocarbon substances  
11 pursuant to subsection (1) of this section. A restricted entity, or an  
12 agent, trustee, or fiduciary thereof, who ~~that~~ violates this section  
13 ~~subsection (1) of this section~~ shall be in violation of the Foreign-owned  
14 Real Estate National Security Act and subject to divestment as prescribed  
15 under section 76-3712.

16 **Sec. 5.** Section 76-3708, Revised Statutes Cumulative Supplement,  
17 2024, is amended to read:

18 76-3708 (1) Except as provided in subsection (2) of this section,  
19 the provisions of sections 76-3703, 76-3706, and 76-3707 shall not apply  
20 to the real estate necessary for the construction and operation of  
21 railroads, public utilities, and common carriers.

22 (2) The provisions of sections 76-3703, 76-3706, and 76-3707  
23 ~~Subsection (1) of this section~~ shall not apply to the real estate of a  
24 restricted entity or an agent, trustee, or fiduciary thereof. A  
25 restricted entity, or an agent, trustee, or fiduciary thereof, who ~~that~~  
26 violates this section ~~subsection (1) of this section~~ shall be in  
27 violation of the Foreign-owned Real Estate National Security Act and  
28 subject to divestment as prescribed under section 76-3712.

29 **Sec. 6.** Section 76-3709, Revised Statutes Cumulative Supplement,  
30 2024, is amended to read:

31 76-3709 (1) Except as provided in subsection (2) of this section,

1 any nonresident alien, foreign corporation, or foreign government ~~other~~  
2 ~~than the United States Government or a government of its states,~~  
3 ~~political subdivisions, territories, or possessions,~~ or an agent,  
4 trustee, or fiduciary thereof:

5 (a) May purchase, acquire, hold title to, or be a lessor or lessee  
6 of as much real estate as shall be necessary for the purpose of (i)  
7 erecting on such real estate manufacturing or industrial establishments,  
8 and in addition thereto such real estate as may be required for  
9 facilities incidental to such establishments, or (ii) erecting and  
10 maintaining establishments primarily operated for the storage, sale, and  
11 distribution of petroleum products or hydrocarbon substances, commonly  
12 known as filling stations or bulk stations; and

13 (b) Shall not expand establishments or facilities purchased,  
14 acquired, held, or leased pursuant to subdivision (1)(a) of this section  
15 or build new such establishments or facilities if a restricted entity, or  
16 an agent, trustee, or fiduciary thereof.

17 (2)(a) (2) A restricted entity, or an agent, trustee, or fiduciary  
18 thereof, shall not purchase, acquire, hold title to, or be a lessor or  
19 lessee of real estate pursuant to subdivision (1)(a) of this section  
20 unless such restricted entity, or an agent, trustee, or fiduciary  
21 thereof, has received: ~~has a national security agreement with the~~  
22 ~~Committee on Foreign Investment in the United States as of January 1,~~  
23 ~~2025, maintains such national security agreement, and certifies the~~  
24 ~~validity of such national security agreement annually to the Department~~  
25 ~~of Agriculture within thirty days after January 1, 2025, and on or before~~  
26 ~~January 15 of each year thereafter.~~

27 (i) A determination from the Committee on Foreign Investment in the  
28 United States that there are no unresolved national security concerns  
29 with respect to the real estate transaction and such restricted entity  
30 has not undergone a change in control constituting a covered control  
31 transaction, as defined in 31 C.F.R. 800.210, as such regulation existed

1 on January 1, 2025, since such determination; or

2 (ii) A national security agreement with the Committee on Foreign  
3 Investment in the United States and maintains the validity of such  
4 national security agreement.

5 (b) A restricted entity, or an agent, trustee, or fiduciary thereof,  
6 who complies with the requirements of subdivision (2)(a)(i) or (ii) of  
7 this section shall annually certify such compliance to the Department of  
8 Agriculture on or before January 15, 2026, and on or before January 15 of  
9 each year thereafter.

10 (3) A restricted entity, or an agent, trustee, or fiduciary thereof,  
11 ~~who that~~ violates this section shall be in violation of the Foreign-owned  
12 Real Estate National Security Act and subject to divestment as prescribed  
13 under section 76-3712.

14 **Sec. 7.** Section 76-3710, Revised Statutes Cumulative Supplement,  
15 2024, is amended to read:

16 76-3710 (1) Except as provided in subsection (2) of this section,  
17 the provisions of the Foreign-owned Real Estate National Security Act  
18 shall not apply to any real estate lying within the corporate limits of  
19 cities and villages, or within three miles of such corporate limits, nor  
20 to any manufacturing or industrial establishment described in section  
21 76-3709.

22 (2) A restricted entity, or an agent, trustee, or fiduciary thereof,  
23 ~~who that~~ purchases, acquires, holds title to, or is the lessor or lessee  
24 of any real estate lying within the corporate limits of cities and  
25 villages, or within three miles of such corporate limits, or any  
26 manufacturing or industrial establishment described in section 76-3709  
27 shall be subject to sections 76-3703 and 76-3709. A restricted entity, or  
28 an agent, trustee, or fiduciary thereof, who that violates this  
29 subsection shall be subject to divestment as prescribed under section  
30 76-3712.

31 **Sec. 8.** Section 76-3712, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 76-3712 (1) Any person may notify the Department of Agriculture or  
3 the Attorney General of a violation or potential violation of the  
4 Foreign-owned Real Estate National Security Act.

5 (2) The Department of Agriculture shall investigate violations of  
6 the Foreign-owned Real Estate National Security Act. If the Director of  
7 Agriculture has reasonable suspicion to believe that a violation of the  
8 act has occurred, the director shall refer the suspected violation to the  
9 Attorney General or outside counsel retained by the Department of  
10 Agriculture for enforcement.

11 (3) The Attorney General or retained outside counsel, upon a  
12 referral by the Director of Agriculture or upon the receipt of any  
13 information from any person that gives the Attorney General or retained  
14 counsel reasonable suspicion to believe that a violation of the Foreign-  
15 owned Real Estate National Security Act has occurred, may issue subpoenas  
16 requiring the appearance of witnesses, the production of documents, and  
17 the giving of relevant testimony. Service of any subpoena shall be made  
18 in the same manner as a subpoena issued by any court in this state.

19 (4)(a) After investigation, if the Attorney General or retained  
20 outside counsel believes that a violation of the Foreign-owned Real  
21 Estate National Security Act has occurred, the Attorney General or  
22 retained outside counsel shall notify the person ~~any restricted entity~~  
23 believed to have committed or be committing such violation that such  
24 person ~~entity~~ may voluntarily divest the ~~any~~ interest in the ~~real~~ estate  
25 that is the subject of the violation.

26 (b) The person believed to have committed or be committing a  
27 violation ~~restricted entity~~ shall indicate to the Attorney General or  
28 retained outside counsel whether such person ~~entity~~ is voluntarily  
29 divesting the ~~any~~ interest in the ~~real~~ estate that is the subject of the  
30 violation within thirty days of receiving the notice under subdivision  
31 (4)(a) of this section.

1           (c) If the person believed to have committed or to be committing a  
2 violation ~~restricted entity~~ indicates that such person ~~it~~ is voluntarily  
3 divesting the any interest in the real estate that is the subject of the  
4 violation, such person ~~the restricted entity~~ shall be entitled to a grace  
5 period of one hundred eighty days to voluntarily divest the interest.

6           (d) The grace period of one hundred eighty days shall begin upon the  
7 end of the thirty-day period under subdivision (4)(b) of this section.

8           (e) No person ~~The restricted entity~~ shall ~~not~~ sell or otherwise  
9 transfer ~~the~~ real estate to another a person ~~or entity~~ prohibited under  
10 the act. Any person ~~A restricted entity~~ who violates this subdivision  
11 shall be subject to a civil penalty not to exceed fifty thousand dollars  
12 per parcel of real estate sold or otherwise transferred to another a  
13 person ~~or entity~~ prohibited under the act.

14           (5) The Attorney General or retained outside counsel shall commence  
15 an action in either the district court in the county in which all or part  
16 of the real estate is located or in the district court of Lancaster  
17 County if:

18           (a) The person described in subdivision (4)(a) of this section  
19 ~~restricted entity~~ fails to indicate to the Attorney General or retained  
20 outside counsel that such person ~~the entity~~ is voluntarily divesting the  
21 ~~any~~ interest in the real estate that is the subject of the violation  
22 within the thirty-day period under subdivision (4)(b) of this section; or

23           (b) Such person ~~The restricted entity~~ fails to voluntarily divest  
24 the any interest in the real estate that is the subject of the violation  
25 within the grace period of one hundred eighty days.

26           (6) Upon commencement of an action under this section, the Attorney  
27 General or retained counsel shall:

28           (a) Promptly record a notice of the pendency of the action in  
29 records with the register of deeds in each county in which all or part of  
30 the real estate is located; and

31           (b) Serve a copy of the petition by service of process in the same

1 manner as in civil cases as follows on:

2 (i) The owner of the real estate if the owner's address is known;

3 (ii) Any secured party who has registered or filed a lien, mortgage,  
4 or trust deed against the real estate or filed a financing statement  
5 against the real estate as provided by law if the identity of the secured  
6 party can be ascertained by the person ~~entity~~ filing the petition by  
7 making a good faith effort to ascertain the identity of the secured  
8 party;

9 (iii) Any other bona fide lienholder or secured party or other  
10 person holding an interest in the real estate if such party is known; and

11 (iv) Any person residing on the real estate subject to divestment at  
12 the time the petition is filed.

13 (7) The court shall have power to hear and determine the questions  
14 presented in such case and to declare such real estate to be divested.  
15 The burden is on the state to prove by clear and convincing evidence that  
16 the real estate is subject to divestment under the Foreign-owned Real  
17 Estate National Security Act. If the court finds that the real estate  
18 that is the subject of an action commenced under the act was purchased,  
19 acquired, taken, or held in violation of the act, the court shall enter  
20 an order that:

21 (a) States the findings of the court;

22 (b) Orders the divestment of the interest in the real estate of the  
23 person ~~or entity~~ that violated the act;

24 (c) Orders the Attorney General or retained outside counsel to  
25 promptly notify ~~Notifies~~ the Governor and the Legislature that the title  
26 to such real estate is ordered divested by the decree of the court;

27 (d) Orders the Attorney General or retained outside counsel to  
28 promptly record a copy of such divestment order with the register of  
29 deeds of each county in which all or part of the real estate is located;

30 (e) Appoints a receiver subject to sections 25-1081 to 25-1092 to  
31 manage and control the real estate through the final disposition of the

1 real estate; and

2 (f) Authorizes the proceeds of the divestment to be disbursed in the  
3 following order:

4 (i) The payment of any taxes and assessments due;

5 (ii) The payment of court costs related to the action or actions  
6 commenced under the Foreign-owned Real Estate National Security Act;

7 (iii) The payment of authorized costs of the sale, including all  
8 approved fees and pending sale expenses and expenses of the referee;

9 (iv) Reimbursement of investigation and litigation costs and  
10 expenses, in an amount approved by the court, to the Attorney General or  
11 retained outside counsel;

12 (v) Payment to bona fide lienholders of the real estate, in order of  
13 lien priority, except for liens which under the terms of the divestment  
14 are to remain on the real estate; and

15 (vi) Remittance of any remaining proceeds to the State Treasurer for  
16 distribution in accordance with Article VII, section 5, of the  
17 Constitution of Nebraska.

18 (8) If the interest is a lease, easement, or interest other than fee  
19 title, the court shall have power to declare such interest terminated.

20 (9) If the respondent fails to answer or appear for the action  
21 commenced pursuant to this section, the court may enter default judgment.

22 **Sec. 9.** Section 76-3715, Revised Statutes Cumulative Supplement,  
23 2024, is amended to read:

24 76-3715 Nothing in the Foreign-owned Real Estate National Security  
25 Act shall be construed to require any person ~~or entity~~ to determine or  
26 inquire whether another person ~~or entity~~ is subject to or in violation of  
27 the act, and such person ~~or entity~~ shall bear no civil or criminal  
28 liability under the act for the failure to make such determination or  
29 inquiry. The Attorney General, retained outside counsel, and Director of  
30 Agriculture are responsible for determining whether a person ~~or entity~~ is  
31 subject to or in violation of the act.

1           **Sec. 10.** If any section in this act or any part of any section is  
2 declared invalid or unconstitutional, the declaration shall not affect  
3 the validity or constitutionality of the remaining portions.

4           **Sec. 11.** Original sections 76-2,141, 76-3702, 76-3703, 76-3704,  
5 76-3708, 76-3709, 76-3710, 76-3712, and 76-3715, Revised Statutes  
6 Cumulative Supplement, 2024, are repealed.